

Message Text

CONFIDENTIAL

PAGE 01 STATE 137931
ORIGIN EA-09

INFO OCT-01 ISO-00 ONY-00 /010 R

DRAFTED BY EA/EP:STAFF:SRP
APPROVED BY EA/EP:AGEBER
DESIRED DISTRIBUTION
EA ONLY

-----150324Z 071415 /65

R 142136Z JUN 77
FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
XMT USLO PEKING

C O N F I D E N T I A L STATE 137931

STADIS/////////////////////////////////
NO DISTRIBUTION OUTSIDE EA

E.O. 11652: GDS

TAGS: EGEN, ECON, XC, XE, XP

SUBJECT: OFFICE OF ECONOMIC POLICY WEEKLY STATUS REPORT
JUNE 14, 1977

1. US-ASEAN CONSULTATIONS (LIMITED OFFICIAL USE)

OUR ATTEMPT TO UPGRADE THE ASEAN REPRESENTATION AND TO
SHIFT IT TO THE ECONOMIC MINISTERS HAS NOT SUCCEEDED.
MEMORANDUMS FROM ME TO YOU AND FROM YOU TO COOPER AND
JULES KATZ ARE IN PREPARATION IN WHICH WE ARE SUGGESTING
THAT YOU INSTEAD OF COOPER SHOULD HEAD THE US DELEGATION.
THE TALKS ARE TO BE HELD DURING THE FIRST WEEK OF
SEPTEMBER. WE ARE ALSO GEARING UP FOR THE PREPARATIONS
FOR THE TALKS AND WISH TO COOPERATE CLOSELY WITH EB.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 137931

2. FIRST CONCRETE ELEMENT OF SOUTH PACIFIC ASSISTANCE PROGRAM TO BE SIGNED: US TO CONTRIBUTE TO AREA WIDE FISHING SURVEY (UNCLASSIFIED)

LAST WEEK DURING THE WASHINGTON VISIT OF THE SECRETARY
GENERAL OF THE SOUTH PACIFIC COMMISSION WE WERE ABLE TO
FINALIZE ADMINISTRATIVE DETAILS OF THE FIRST CONCRETE

ELEMENT OF OUR SOUTH PACIFIC ASSISTANCE PROGRAM, AN

INITIAL DOLLARS 300,000 CONTRIBUTION TO A COMMISSION SPONSORED FISHING SURVEY. THE GRANT AGREEMENT BETWEEN SECRETARY GENERAL SOLATO AND JACK SULLIVAN OF AID WILL BE SIGNED JULY 9 WHEN BOTH MEN ARE IN PARIS. AMBASSADOR SELDEN HAS ALSO SENT PERSONAL MESSAGES TO THE KING OF TONGA AND PRIME MINISTERS OF FIJI AND WESTERN SAMOA ANNOUNCING OUR CONTRIBUTION. THE KING, IN AN IMMEDIATE REPLY, EXPRESSED HIS PROFOUND THANKS FOR THE US EFFORT.

3. OPIC LEGISLATION (UNCLASSIFIED)

THE OPIC BOARD OF DIRECTORS APPROVED A LEGISLATIVE PACKAGE JUNE 14 SIMILAR IN MOST RESPECTS TO THE EPG DECISION OF MAY 16. HEARINGS BEFORE THE HIRC SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY AND TRADE (BINGHAM, CHAIRMAN) WILL BEGIN JUNE 21, BUT SENATE HEARINGS WILL NOT BEGIN BEFORE AUGUST AT THE EARLIEST. THE PROPOSED LEGISLATION WOULD EXTEND OPIC'S LIFE ANOTHER FOUR YEARS, THROUGH 1981. THE MAJOR SUBSTANTIVE CHANGE WOULD REMOVE THE PRESENT STATUTORY REQUIREMENT THAT OPIC SEEK INCREASED PRIVATE PARTICIPATION IN ITS INSURANCE PROGRAM AND CEASE DIRECT INSURANCE UNDERWRITING ALTOGETHER BY 1981. THE PROPOSAL WOULD SUBSTITUTE PERMISSIVE LANGUAGE THAT WOULD ALLOW OPIC TO OBTAIN PRIVATE PARTICIPATION AT ITS OPTION AS A RISK MANAGEMENT TOOL.

COUNTRY ELIGIBILITY FOR OPIC PROGRAMS, THE MAIN ISSUE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 137931

BEFORE THE EPG IN MAY, IS NOT ADDRESSED IN THE LEGISLATIVE PACKAGE, BUT RATHER WILL BE THE SUBJECT OF A BOARD RESOLUTION LATER THIS SUMMER. THE DISCUSSION JUNE 14 REVEALED STRONG PRIVATE BOARD MEMBER SENTIMENT AGAINST RIGID GUIDELINES OR ANY SIGNIFICANT CURTAILMENT OF OPIC'S INSURANCE AVAILABILITY.

4. INVESTMENT POLICY (UNCLASSIFIED)

UNDER SECRETARY COOPER PLANS TO USE A SPEAKING ENGAGEMENT TO THE COUNCIL OF THE AMERICAS JUNE 27 TO DELIVER A STATEMENT OF GLOBAL US FOREIGN INVESTMENT POLICY. WE ARE SENDING A MEMORANDUM TO COOPER GIVING EA VIEWS AND OFFERING EA COLLABORATION IN THE SPEECH.

5. FOOTWEAR (LIMITED OFFICIAL USE)

THE FOOTWEAR ORDERLY MARKETING AGREEMENT (OMA) WITH THE ROC WAS SIGNED THIS MORNING. WE ARE STILL WORKING OUT

SOME LARGELY TECHNICAL PROBLEMS CONCERNING THE KOREAN OMA BUT STR EXPECTS TO SIGN THE AGREEMENT NEXT MONDAY OR TUESDAY.

6. GSP - SUGAR (LIMITED OFFICIAL USE)

THE TRADE POLICY REVIEW GROUP, UNABLE TO DECIDE THE QUESTION OF WHETHER OR NOT TO REDESIGNATE FOUR SMALLER SUPPLIERS, THAILAND AND THREE LATIN AMERICAN COUNTRIES, AS ELIGIBLE FOR GSP BENEFITS ON SUGAR, DECIDED TO REFER THE QUESTION TO THE PRESIDENT. AN OPTIONS MEMORANDUM SHOULD BE FORWARDED WITHIN THE NEXT WEEK.

7. UNCTAD RUBBER MEETING (LIMITED OFFICIAL USE)

THE UNCTAD RUBBER MEETING IN GENEVA WENT ACCORDING TO OUR EXPECTATIONS. THE PRODUCERS DID NOT PRESS FOR A CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 137931

COMMITMENT FROM THE CONSUMERS TO NEGOTIATE A STABILIZATION AGREEMENT. RATHER, A TASK FORCE WAS SET UP TO STUDY THE PRODUCER'S (ANRPC) STABILIZATION PROPOSAL AND ANY OTHERS THAT MIGHT BE SUBMITTED. THE TASK FORCE IS TO SUBMIT ITS REPORT TO THE THIRD PREPARATORY MEETING TENTATIVELY SCHEDULED FOR FEBRUARY 1978.

8. GSP - OPEC (LIMITED OFFICIAL USE)

THE EPG AGREED TO DISAGREE AND WILL ASK THE PRESIDENT TO DECIDE WHETHER OR NOT THE ADMINISTRATION SHOULD SUPPORT THE REMOVAL OF THE GSP-OPEC EXCLUSION. AN OPTIONS PAPER WILL PROBABLY GO FORWARD WITHIN THE NEXT WEEK.

A SENATE FINANCE COMMITTEE STAFFER HAS TOLD H THAT, AS A RESULT OF SEVERAL RECENT CONVERSATIONS WITH THE PRESIDENT, RIBICOFF HAS BECOME INTERESTED IN MOVING THE BENTSEN BILL FORWARD AND IS CONSIDERING HOLDING HEARINGS IN EARLY JULY.

9. ECONOMIC ASSISTANCE LEGISLATION MOVING FORWARD IN THE CONGRESS (UNCLASSIFIED)

THE FY-78 FOREIGN ASSISTANCE LEGISLATION IS BEING MARKED UP TODAY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE. ON THE SENATE SIDE, LEGISLATION FOR OUR CONTRIBUTIONS TO THE INTERNATIONAL FINANCIAL INSTITUTIONS WILL BE DISCUSSED ON THE FLOOR. WE EXPECT THE DOLE AMENDMENT, INTENDED TO REDUCE OUR IFI CONTRIBUTIONS IN PROPORTION TO THOSE INSTITUTIONS' VIETNAM PROGRAMS, TO BE

INTRODUCED AT THAT TIME. IN ANTICIPATION A LETTER HAS BEEN PREPARED FOR THE SECRETARY TO SEND TO SENATOR HUMPHREY UNDERSCORING THE ADMINISTRATION'S OPPOSITION TO THE AMENDMENT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 137931

10. JAPANESE BACK SINGAPORE PETROCHEMICAL COMPLEX
(LIMITED OFFICIAL USE)

THE VISIT OF PRIME MINISTER LEE TO TOKYO PROVIDED THE NECESSARY IMPETUS FOR A JAPANESE DECISION TO SUPPORT A DOLLARS 650 MILLION PETROCHEMICAL COMPLEX IN SINGAPORE. THE JAPANESE GOVERNMENT INVOLVEMENT THROUGH THE OVERSEAS ECONOMIC COOPERATION FUND IS UNUSUAL SINCE IN THE PAST THIS KIND OF OECF FINANCING FOR PRODUCTION FACILITIES WAS USED ONLY TO ASSURE A SOURCE OF SUPPLY FOR JAPAN. THE DECISION IS REGARDED AS A SIGNIFICANT POLITICAL GESTURE.

11. SYDNEY TRADE CENTER, STATUS STILL IN DOUBT
(CONFIDENTIAL)

THE FUTURE OF THE SYDNEY TRADE CENTER REMAINS UNCLEAR. WHILE THE HOUSE APPROPRIATIONS SUBCOMMITTEE DID INSERT LANGUAGE IN THE COMMERCE BUDGET RETAINING THE CENTER THEY DID NOT PROVIDE FUNDS FOR IT. COMMERCE HAS INFORMED THE SENATE FINANCE COMMITTEE THAT IT OPPOSES THE CONTINUATION OF THE SYDNEY TRADE CENTER. THE COMMITTEE IS SCHEDULED TO VOTE ON THE MATTER LATE THIS MONTH.

12. APCAC MEETING (UNCLASSIFIED)

THE ASIAN PACIFIC COUNCIL OF AMERICAN CHAMBERS OF COMMERCE (APCAC) WILL HOLD ITS NEXT SEMI-ANNUAL MEETING IN SYDNEY, AUSTRALIA ON OCTOBER 19-23, 1977. APCAC HAS WRITTEN TO THE SECRETARY URGING THAT THE DEPARTMENT PARTICIPATE IN THE MEETING. YOU WILL RECALL THAT WE PROMISED APCAC TO ATTEND THEIR MEETINGS ONCE BUT NOT TWICE A YEAR. THUS, UNLESS SOMEBODY FROM THE DEPARTMENT WOULD BE TRAVELING IN THAT DIRECTION AT THAT TIME, I WOULD SUGGEST THAT WE DECLINE THE INVITATION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 137931

CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jun-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE137931
Document Source: CORE
Document Unique ID: 00
Drafter: STAFF:SRP
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770213-0006
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770657/aaaabyhc.tel
Line Count: 224
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 61b3417d-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2153158
Secure: OPEN
Status: NATIVE
Subject: OFFICE OF ECONOMIC POLICY WEEKLY STATUS REPORT JUNE 14, 1977
TAGS: EGEN, ECON, XC, XE, XP, US
To: EA POSTS PEKING
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/61b3417d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009